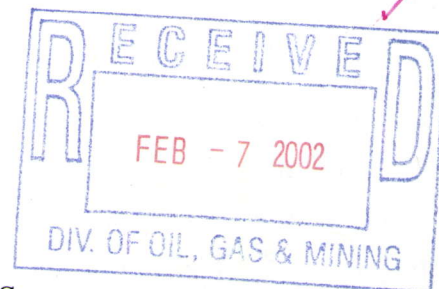


STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
Telephone: (801) 538-5291
Fax: (801) 359-3940



ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From: **1/2001** To: **12/2001**
2. DOGM File Number (Mine No.): **M/045/004**
3. Mine Name: **Pine Canyon Reclamation Project**
4. Mineral(s) Mined (or permitted to mine): **Copper and associated metals.**
5. Type of mine: ___ Surface Mine or **X** Underground Mine
6. Legal Description, (Location of Lands Affected):

Section 17, S1/2, SW1/4;

Section 20, N1/2 NW1/4, W1/2 NE1/4, SE1/4 NE1/4, E1/2 SE1/4;

Section 21, SW1/4 SW1/4;

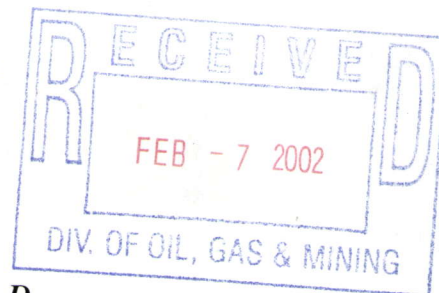
Section 28, W1/2 NW1/4;

Section 29, NE1/4 NE1/4;

*Township 3 South, Range 3 West, Salt Lake Baseline and Meridian,
Tooele County, Utah.*

7. Name of Operator or Company: *Kennecott Utah Copper Corporation*

8. Permanent Street Address: *P. O. Box 6001*
8315 West 3595 South
City, State, Zip: *Magna, UT 84044*
Phone: *(801) 569-7553*
Fax: *(801) 569-6408*



9. Company Representative (or designated operator):
Name: *William J. Adams, Ph.D.*
Title: *Director, Environmental Affairs*
Business Address: *P. O. Box 6001*
City, State, Zip: *Magna, UT 84044*
Phone: *(801) 569-7553*
Fax: *(801) 569-6408*

X Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes ___ No X

2. If no - what was the last year of activity?

KUCC purchased the inactive property from Anaconda Minerals Co. in 1985.

3. If yes - how much ore or mineral was mined?

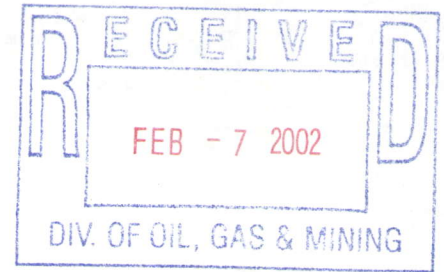
No ore was mined in 2001.

4. Briefly describe the type of work performed, volume of material moved, and any new or additional surface disturbances that occurred during the year.

Water is continuing to be pumped out of the shaft and is then piped through the Pine Canyon/Parvenu tunnel to the Bingham Canyon Mine where it is discharged to established water collection systems. The water is being removed as part of the general pit dewatering program at the Bingham Canyon Mine. The only other work was general systems maintenance, which included changing out the pumps in the Carr Fork shaft.

5. How much **additional acreage** was disturbed during the past year?

No additional acres were disturbed during year 2001.



6. How much acreage was **reclaimed** during the past year?

No reclamation took place in 2001.

7. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.

No new reclamation took place in 2001.

8. What is the **total** disturbed acreage of entire project at years end?

Other than the small area disturbed in 1999, the only disturbed acreage left in Pine Canyon are those sites identified in the 1988 reclamation plan that were left for long-term use in the canyon. These sites include the Pine Canyon tunnel portal and concrete flume, production shaft head frame, access road, the warehouse/shop, culinary water system, water supply wells, power line to the wells, fresh water tank and the waste rock pile adjacent to the head frame.

9. Briefly summarize any mining and/or reclamation plans for the upcoming year.

Water will continue to be pumped out of the Carr Fork shaft and is then piped through the Pine Canyon/Parvenu tunnel to the Bingham Canyon Mine where it will be discharged to established water collection systems. Any areas disturbed as part of routine systems maintenance will be seeded in 2002.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.

No map is attached because there have been no significant changes to the area since a map was submitted in 1998.

2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be submitted.

Water level data and analytical results for water samples collected from the Carr Fork Service shaft are not complete as of the due date of this report. They will be submitted under separate cover when they are complete in February 2002.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name: *William J. Adams, Ph.D.*

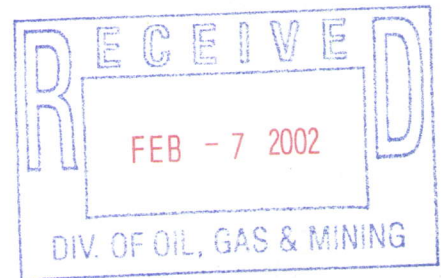
Title of Operator: *Director, Environmental Affairs*

Signature of Operator:

William J. Adams

Date:

1/31/02



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Kennecott Utah Copper Corporation
12000 West 2100 South
P.O. Box 6001
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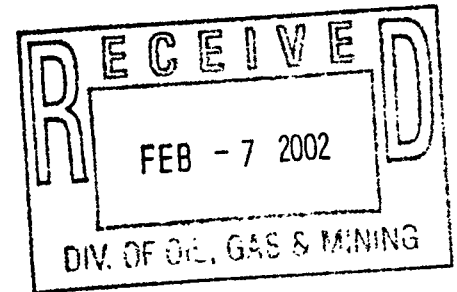
William J. Adams, Ph.D.
Director, Environmental Affairs

m/45/004
JAN 31 2002

Kennecott

January 31, 2002

Mr. Wayne Hedberg, Permit Supervisor
Minerals Reclamation Program
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801



Subject: Annual Reports for 2001, Kennecott Utah Copper Corporation

Dear Mr. Hedberg:

Enclosed are the completed annual report forms for the following DOGM permits:

M/035/002	Bingham Pit and UCD Modernization,
M/035/011	4th Line/Copperton Concentrator,
M/035/015	North Impoundment,
M/045/004	Pine Canyon Reclamation Project.

As in last year's reports, all disturbed and reclaimed acreage on the existing tailings impoundment is reported under permit number M/035/002.

In addition to the reclamation activities documented in the attached reports, the following work was conducted by KUCC in the Oquirrh Mountains outside of the DOGM jurisdictional boundaries:

Smelter Area – 5 acres, East Rail Yard – contoured and seeded

Smelter Area – 55 acres, Kessler Canyon – contoured and seeded

In 2001 KUCC spent more than \$2,400,000 dollars on reclamation activities within the boundaries of permit #M/035/002. These costs included purchases of seed, fertilizer, surface preparation, seedlings, and planting. They also included a sprinkler irrigation system for the Magna Tailing impoundment. After correcting for inflation, this equates to more than \$740,000 spent in 1978 dollars. This is well in excess of the \$50,000 annual expenditure required by permit #M/035/002.

If you have any questions about these annual reports, please contact Jim Kandolin at 569-6208.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. Adams". The signature is fluid and cursive, with the first name "William" being more prominent.

William J. Adams, Ph.D.
Director, Environmental Affairs

Enclosures

cc: C. Carter

J. Kandolin

File: OPS-RR-BCM-ANNUAL RECLAMATION REPORTS